

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

VIA ATR  
(Specify Air or Sea Pouch)

DISPATCH NO. HULW - 493



14 JUN 1954

TO : Chief of Station, Lincoln

DATE \_\_\_\_\_

FROM : Chief, WH

SUBJECT { GENERAL Financial Intelligence  
          { SPECIFIC Financial Position of Guatemala

RYBAT PBSUCCESS

RE: HULA - 959

1. The external financial position of Guatemala is very solid according to available statistics. Guatemalan currency is well backed by gold and other substantial credits relative to currency in circulation. There are no indications, externally, of inflation.

2. Strong coffee prices have improved Guatemalan terms of trade and are supplying the economy with unusually good returns, making it possible for the Government to impose and collect larger taxes and the finceros to maintain or increase their profits and even for some benefits to go to the workers.

3. Attached are some financial statistics compiled by Treasury. They may not be released for publication without permission of Treasury.

4. Attached is report OO-B-76460; Subject: Possible Devaluation of the Quetzal Due to Political-Military Developments. Notice conclusion of Paragraph 4. If other interests also begin hedging their assets to a marked extent some financial difficulties may develop, though they would peter out like a run on a bank well prepared for such a contingency.

5. Attached is a report from Embassy, Guatemala, #960; Subject: Financial Transaction Covering Shipment of Arms From Iron Curtain Country to Guatemala. The possibility suggested in the memorandum is confirmed from other sources to the extent of \$4,860,000.00 which probably represented the final payment for the arms. Even with this payment made and even if it represents only half of the total, the Guatemalan financial position remains sound by most standards (exclusive of the political situation).

Attachments - as above

10 June 1954

Distribution: Orig & 1 - LINCOLN

OLIVER G. CALBOND



19 JUN 1954

/ PAGE (S)

**DENIED IN FULL**